March 16, 2019

Owen Costanza
Village of Poplar Grove
200 N Hill Street
Poplar Grove, IL 601065

Dear Mr. Costanza:

In coordination and in partnership with Poplar Grove State Bank, BB Community Leasing Services, Inc. (BBCLSI) ("Lessor") is pleased to submit the following lease proposal. This proposal is for evaluation and discussion purposes only and should not be considered as a commitment by the Lessor or any other party. The Lessor will not be obligated to lease any property to the lessee until the Lessor agrees in writing to do so. The following equipment lease proposal is in response to your request to Poplar Grove State Bank and specifically covers the personal property described below under "Equipment Description". Our proposed lease terms are as follows:

PARTIES TO AGREEMENT

Lessor & Partner Bank	BB Community Leasing Services, Inc. Poplar Grove State Bank
Vendor(s)	To Be Determined
Lessee	Village of Poplar Grove

EQUIPMENT

Equipment Location	200 N Hill St, Poplar Grove, IL 61065
Equipment Description	1-Pick-up Truck; 1-Street Sweeper & 1-Snowplow Truck
Equipment Cost	$30,799.00 (Pick-up Truck); $165,265.00 (Street Sweeper) & $159,915.31 (Plow Truck)

MUNICIPAL LEASE TERMS, CONDITIONS & LESSEE COVENANTS

General

The above referenced proposal for a Lease-Purchase Agreement is to provide financing for the purchase of equipment rather than for the short-term rental of equipment. For this reason, periodic payment amounts are calculated to amortize the full cost of the equipment over the agreed payment term. Because we do not consider your repayment commitment to be a debt obligation, as that term would be defined by State constitution or regulations, the proposed contract includes a non-appropriation clause and is subject to funds being encumbered for repayment on an annual basis. This non-appropriation clause provides some risk to the lessor that the equipment will be returned during the life of the contract rather than being paid in full.

Lessee Covenants

Lessee makes the following covenants and representations:

- Lessee is a public body corporate and politic duly organized and existing under the constitution and laws of the state where the lessee is located ("State") with full power and authority to enter into the proposed agreement.
- Lessee will duly authorize any proposed agreement by proper action of its governing body at a meeting duly called and held in accordance with State law, or by other appropriate official approval.
- The equipment will be used by lessee solely and exclusively for the purpose of performing essential governmental or proprietary functions of lessee consistent with the permissible scope of lessee's authority.
- Lessee has an immediate need for the equipment subject to the proposal.
- The estimated total cost of the equipment will not be less than the total principal portion of the rental payments.
- The proposed equipment is expected to be ordered within 6 months of the commencement date, and all amounts deposited in escrow to pay for the equipment, and interest earnings, will be expended on costs of the equipment and the financing within 3 years of commencement date.

- No proceeds of any lease will be used to reimburse lessee for expenditures made more than 60 days prior to the commencement date or, if earlier, more than 60 days prior to any official action taken to evidence an intent to finance.
- Lessee has not created or established, and does not expect to create or establish, any sinking fund or similar fund (i) that is reasonably expected to be used to pay the rental payments, or (ii) that may be used solely to prevent a default.
- Lessee will comply with all applicable provisions of the Internal Revenue Code of 1986, as amended ("Code"), including without limitation Sections 103 and 148 thereof, and the applicable regulations of the Treasury Department to maintain the exclusion of the interest components of rental payments from gross income for purposes of federal income taxation.
- Lessee intends that each proposed lease not constitute a "true" lease for federal income tax purposes.
- Lessee will designate the proposed lease as a "qualified tax-exempt obligation" as defined in Section 265(b)(3)(B) of the Code.
- The aggregate face amount of all tax-exempt obligations (excluding private activity bonds other than qualified 501(c)(3) bonds) issued or to be issued by lessee and all subordinate entities during the calendar year in which the lease is executed is not reasonably expected to exceed $10,000,000.
- Lessee and all subordinate entities will not issue in excess of $10,000,000 of tax-exempt obligations (including the proposed lease but excluding private activity bonds other than qualified 501(c)(3) bonds) during the calendar year in which this lease is executed without first obtaining an opinion of nationally recognized counsel acceptable to lessor that the designation of the lease as a "qualified tax-exempt obligation" will not be adversely affected.

GENERAL TERMS & CONDITIONS

Lease Equipment Cost

Total cost is not to exceed 10% of the amount stated within the "Financial Terms" section of this proposal (See Exhibit A) without prior consent by lessor. Cost to include all monies paid by lessor to acquire the equipment. These costs include but are not limited to sales tax, brokers fees and any other fees required to obtain clear ownership to the equipment.

Lease Commencement Date

The "commencement date" is the date when interest commences to accrue. This date will be the earlier of (i) the date the proposed equipment is accepted by lessee or (ii) the date any monies to purchase the proposed equipment are deposited with an escrow agent or vendor.

Lease Term

The "lease term" means the original term and all renewal terms. The "original term" means the period from the commencement date for each lease until the end of lessee's current fiscal year. The "renewal term" means each subsequent fiscal year of lessee through the end date of the lease.

Payment (per month)

The rents are to be due on the 1st of each month with each payment made in advance, unless specifically stated otherwise within the "Financial Terms" section of this proposal (See Exhibit A).

Should the Lease Commencement Date occur on any date other than the date on which the first payment is scheduled to be due, as define within the "Financial Terms" section of this proposal (See Exhibit A), the lessee will incur additional interest costs for this interim period based on the amount advanced by the lessor to acquire the equipment.

Rental payments consist of principle and interest portions. Lessee understands that their obligation to pay rental payments constitutes a current expense and shall not be construed to be a debt in violation of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness. Additionally, the proposed lease is not intended to create a pledge of the general tax revenues, funds or monies of lessee.

Payment Adjustment

Lessee acknowledges that the amount of the lease rental is predicated on prevailing market rates. The lease payments proposed are valid through the date listed in the attached proposal and subject to lessor underwriting. Additionally, the lessor will have the right to adjust the monthly rental payments should the prevailing market rates increase before the final delivery and acceptance of equipment by the lessee. Specifically, the lessor may adjust the lease payments for each ¼% increase in an index rate in effect on the date of acceptance of the lease proposal by lessee. The payment adjustment will be calculated in a manner to preserve the lessor's yield at time of preparation of original proposal. The lease payments will remain constant upon final delivery & acceptance of equipment by lessee, unless specifically stated to the contrary within the "Financial Terms" section of this proposal (See Exhibit A). The index rate to be used, if applicable, will be established within the "Financial Terms" section of this proposal (See Exhibit A).

Security Deposit

A security deposit will be collected at time of authorizing the lease agreement as specified in the "Financial Terms" section of this proposal (See Exhibit A).

Taxes & Fees

Lessee will pay all fees, assessments, sales, use, property and other taxes imposed upon lessor for ordering, obtaining and financing the proposed property. This will also include any registration and

licensing fees.

Insurance Prior to the delivery of the leased assets, lessee, at its sole cost & expense, will provide all-inclusive physical damage and liability insurance in the joint names of the lessor and lessee, in amounts & form satisfactory to lessor. If lessee fails to provide evidence of insurance acceptable to lessor, lessor has the right, but not the obligation, to obtain insurance covering lessor's interest in the proposed equipment. Lessor may add the costs of acquiring and maintaining such insurance, and fees for the service of placing and maintaining such insurance to the amounts due under the proposed lease.

Maintenance & Repairs Lessee at its sole cost and expense will be required to maintain the equipment in good operating condition, according to prescribed manufacturer's standards and the equipment must be able to perform its function after lease termination.

Purchase Option At the end of the lease term if all requirements of the lease have been handled in a satisfactory manner the lessee may have the right to purchase the equipment for the amounts detailed in the "Financial Terms" section of this proposal (See Exhibit A). This amount will be due & payable on the date the last payment is due under the lease.

Financial Statements Lessee will furnish financial statements if requested, including operating figures and other supporting statements as required by lessor, at year end or interim periods during the life of the lease.

Lessee Fees A documentation fee will be due at the inception of the lease as defined within "Financial Terms" section of this proposal (See Exhibit A).

Pre-payment The proposed lease may be prepaid without penalty. An amortization schedule will be provided as part of the lease documentation package that defines pay-off amounts at any time during the term of the agreement.

Transaction Expenses All parties to this lease shall be responsible for the payment of their own legal expenses.

Return Provisions Lessee will be required to return property to lessor at lessee's expense.

Title Title to the equipment shall vest in lessee subject to lessor's rights under the lease. Title will immediately transfer from lessee to lessor upon any termination of the lease due to non-appropriation or an event of default.

Security Agreement Lessor will file a UCC-1 security interest in the property subject to the lease.

PROPOSAL ACCEPTANCE TERMS

Lease Commitment Fee Lessee shall remit a commitment fee of **$0.00** to the lessor in good faith when this proposal is signed and accepted. This fee will be used to reduce the first rental payment due, if the lessee proceeds with the lease described in this proposal. If for any reason the lessee decides not to proceed with the lease, the fee will be considered earned by the lessor to compensate the lessor for evaluation expenses. If the lessor decides to reject the lease, the fee will be returned to the lessee within thirty days after said rejection notice.

Proposal Expiration Date This proposal expires ninety (90) days from the date first written above. Please note that the proposed pricing is subject to change per the "Payment Adjustment" provisions noted above.

Lessor's Commitment This proposal is subject to lessor's credit review and is not binding until approved by lessor's designated Lease Committee and documentation is mutually satisfactory and authorized accordingly by lessor and lessee.

Underwriting Information Requested

Municipal Transactions < $100,000

1) Equipment Lease Application-small ticket muni application

Municipal Transactions > $100,000

1) Equipment Lease Application-regular muni application
2) Audited financial statements for most recent two fiscal years.

Thank you for the opportunity to present this proposal on behalf of and in conjunction with Poplar Grove State Bank. We look forward to serving you as this project progresses. Please call with questions.

Sincerely,

BB Community Leasing Services, Inc.

Kent H Kniep

Poplar Grove State Bank

The terms of this proposal are accepted and agreed to this _____ day of _____, 2019.

Company: Village of Poplar Grove

By: _____

BB Community Leasing Services, Inc.
Poplar Grove State Bank
Supplemental Information
Exhibit A-Financial Terms
To be made part of and attached to equipment lease proposal to
Village of Poplar Grove.
March 16, 2019

Lease Assumptions (Applicable to all Proposed Alternatives)	
Equipment Cost – Pick-up Truck	$30,799.00
Equipment Cost – Street Sweeper	$165,265.00
Equipment Cost – Snowplow Truck	$159,915.51
Security Deposit	$0
Documentation Fee	$0
Forecasted Delivery & Acceptance Date (Lease Commencement Date)	TBD
Forecasted 1st Payment Date (04-01-19 for purpose of bid)	TBD
Lease Payment "Locked"	Yes
Payment Adjustment Rate Index	N/A
Current Index Rate	N/A

Proposal Options
(Note: Each line/row represents a separate & distinct pricing option)
$30,799.00 – Pick-up Truck

Option	Term	Payment Frequency	Payment Amount	End of Term Option	End of Term Amount	End of Term % of Original Cost	Eff. Rate
1	3 Year	Annual	$10,699.52	Purchase	$1	N/A	3.98%
2	3 Year	Monthly	$906.03	Purchase	$1	N/A	3.98%

Proposal Options
(Note: Each line/row represents a separate & distinct pricing option)
$165,265.00 Street Sweeper

Option	Term	Payment Frequency	Payment Amount	End of Term Option	End of Term Amount	End of Term % of Original Cost	Eff. Rate
1	7 Year	Annual	$26,403.34	Purchase	$1	N/A	3.90%
2	7 Year	Monthly	$2,244.08	Purchase	$1	N/A	3.90%

Proposal Options
(Note: Each line/row represents a separate & distinct pricing option)
$159,915.51 Snowplow Truck

Option	Term	Payment Frequency	Payment Amount	End of Term Option	End of Term Amount	End of Term % of Original Cost	Eff. Rate
1	3 Year	Annual	$55,357.06	Purchase	$1	N/A	3.90%
2	3 Year	Monthly	$4,698.96	Purchase	$1	N/A	3.90%